

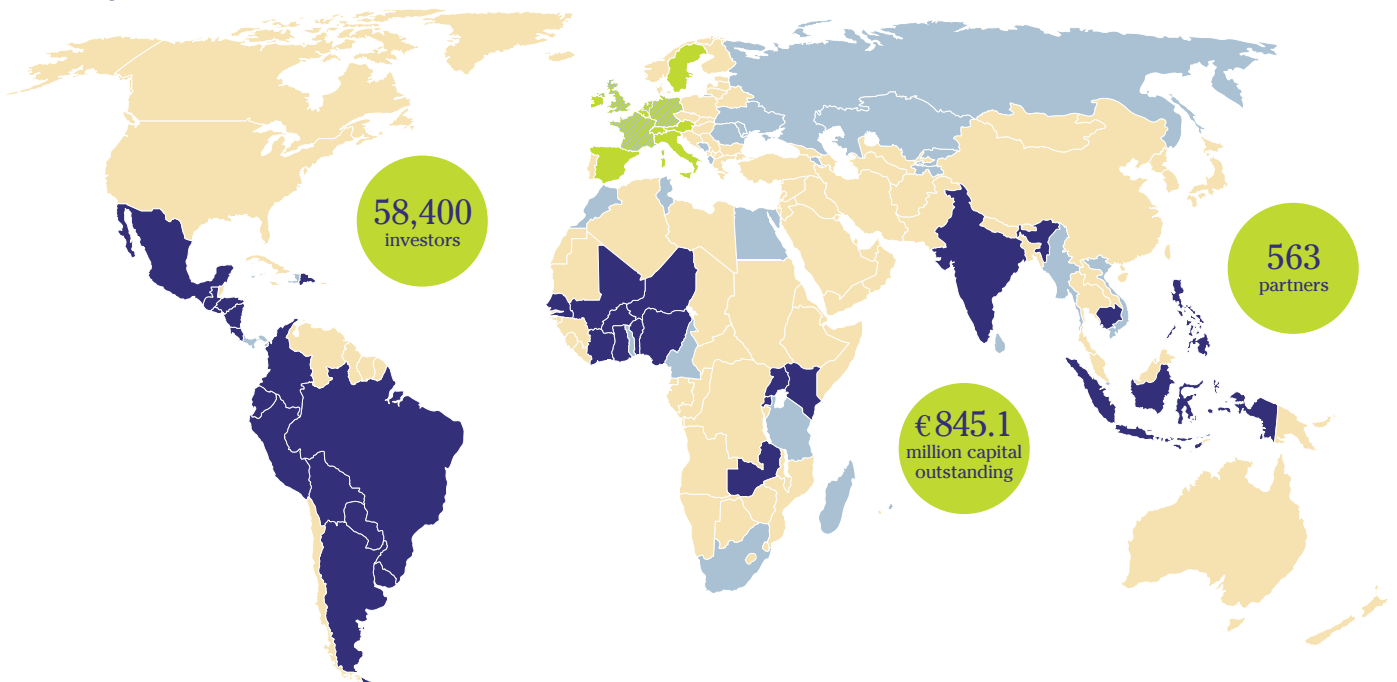
Investing for positive social impact

Oikocredit is a social impact investor and worldwide cooperative with over four decades of experience in leading positive change through investments in financial inclusion, agriculture and renewable energy.

Guided by the principle of empowering low-income people to improve their quality of life, Oikocredit supports partners in Africa, Asia and Latin America through loans, investments and capacity building.

Oikocredit is financed by individuals and institutions who want to be part of a global movement for social change. Our investments prioritise social impact while safeguarding the environment and generating fair financial returns.

We're a global organisation with local presence, able to respond to our partners' needs and strengthen them by offering more than financing.



- 33 countries where Oikocredit will focus its activities going forward
- Other countries where Oikocredit currently has loans and investments
- 11 countries where Oikocredit actively attracts investments

Ecuador – A well-established savings and credit cooperative

Carmiña López is a client of Oikocredit's partner Cooperativa de Ahorro y Crédito Cooprogreso Ltda (Cooprogreso). In 2012 Carmiña and her husband started a garment business, which they built up using loans from Cooprogreso. She used her most recent loan from Cooprogreso to produce face masks. Cooprogreso is a cooperative that serves microentrepreneurs in urban and rural areas through individual and village banking. It not only offers financial products and services, but also social responsibility programmes. The cooperative first partnered with Oikocredit in 2015.



This extraordinary year proves **Oikocredit's resilience**



Oikocredit's Managing Director, Thos Gieskes, looks back on an exceptional 2020 and forward to the year ahead for the cooperative.

In 2020 the coronavirus pandemic confronted humanity with an unforeseen global crisis, disrupting the lives and livelihoods of millions. In addition to Covid-19's impacts on human health and the tragic loss of life, the pandemic has reversed recent gains in global poverty reduction, especially for women and girls.* Low-income people, including many clients and members of Oikocredit's partner organisations in Africa, Asia and Latin America and the Caribbean, were badly hit.

Yet we are proud of the way our partners rose to the challenge and of the solidarity we have provided for them. We are equally pleased with the commitment and agility of our staff in responding to the crisis. And we are hugely grateful to our members and investors – the latter via our support associations and the Oikocredit International Share Foundation – for their loyalty, which has been an inspiration and has underpinned all our efforts.

Prompt measures safeguard business model

Oikocredit acted promptly as Covid-19 took hold worldwide. We deferred planned growth and temporarily froze lending to new partners to minimise risks. Keeping close online and telephone contact with current partners, we provided crisis management support, training and regular webinars, which were much valued. We arranged refinancing where needed and payment relief for 136 partners in distress, many of whom were able to resume scheduled repayments later in the year.

Oikocredit members and investors received frequent updates including via our designated web page www.oikocredit.coop/covid-19, and we paid close attention to the safety and well-being of our Amersfoort and regional staff as they adapted to home and remote working. The restructuring we completed in 2019 enabled us to react effectively and to keep costs under control.

Financial performance shows resilience

Despite our best efforts, Oikocredit's financial performance could not entirely escape the consequences of the coronavirus and ensuing economic downturn, but it has shown resilience. Our cooperative's loss in 2020 of € 22.2 million contrasts with the previous year's net positive result of € 14.3 million. Our development financing portfolio of loans and equity investments reduced by 20.6% to € 845.1 million because of our decision not to finance new partners for most of the year and reduced demand among current partners for refinancing. Another factor was appreciation of the euro, and to a lesser extent the US dollar, against local currencies. There was a decline in consolidated assets to € 1,241.7 million, from € 1,310.4 million in 2019. Our liquidity ratio rose from 19.6% to 33.1% of total assets.

Financial inclusion, Oikocredit's largest priority sector, suffered considerably more from the economic downturn than our other sectors of agriculture and renewable energy. The financial inclusion portfolio declined by more than a fifth to € 641.3 million (2019: € 826.3 million), although the fintech (financial technology) segment grew. Our agriculture and renewable energy portfolios decreased less, to € 148.7 million (2019: € 172.3 million) and € 45.7 million (2019: € 52.1 million) respectively. Portfolio quality recovered towards year-end after declining earlier.

We were pleased to maintain our capacity building programmes with expenditure at the same level as in 2019, € 0.7 million, supporting 71 partners in 26 countries. Using our coronavirus solidarity fund, we also helped 38 partners in 19 countries with emergency grants.

Member capital, which includes requests for issuance and redemption received up until the end of November 2020, fell by 2.3% to € 1,104.1 million (2019: € 1,129.8 million). Net asset value per share reduced by 1.8% to € 210.50 (2019: € 214.41).

All these results were acceptable considering the unique circumstances, and in many ways this challenging year ended for us on a positive note.

The year ahead

While we expect uncertainty resulting from the pandemic to continue in 2021, 2020 taught us to be agile and flexible in adjusting to the new situation. Fortunately for Oikocredit, our recent reorganisation has enabled us to adapt to change more rapidly. Even so, our mission of providing close support to partners and delivering both financial and social returns to members and investors remains clear and strong.

We are determined to come through the crisis better in support of the sustainable empowerment of low-income people in the Global South.

We are jointly exploring with stakeholders our long-term vision, theory of change and strategic choices to prepare a new purpose-driven multi-year strategy for launch in 2022. Our cooperative will continue to go where we are needed, our work now more important than ever. External developments may impact our ambitions for 2021, but we look ahead with confidence.

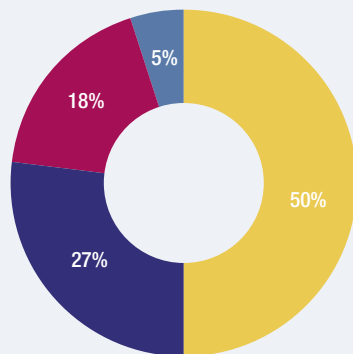
* UN Women, 'COVID-19 will widen poverty gap between women and men, new UN Women and UNDP data shows',

<https://www.unwomen.org/en/news/stories/2020/8/press-release-covid-19-will-widen-poverty-gap-between-women-and-men>

Oikocredit at a glance

Financing by region

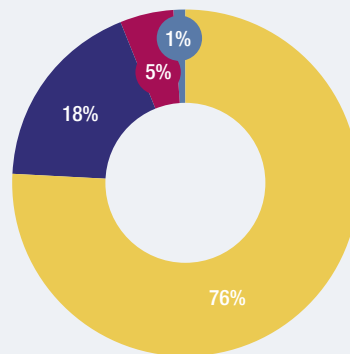
at 31 December 2020



- Latin America and the Caribbean
- Asia
- Africa
- Other

Financing by sector

at 31 December 2020

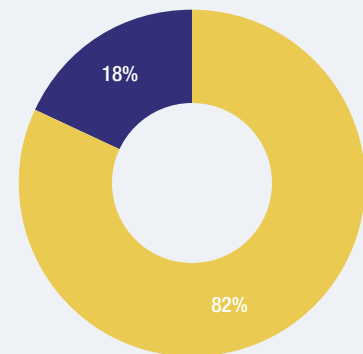


- Financial inclusion*
- Agriculture
- Renewable energy
- Other

* including microfinance and SME finance

Type of financing

at 31 December 2020



- Loans
- Equity investments

Key figures

at 31 December 2020

● Total assets	€ 1,241.7 million
● Total development financing outstanding	€ 845.1 million
● Member capital	€ 1,104.1 million
● Liquidity ratio as % of total assets	33.1%
● Total number of partners	563
● Average outstanding financing per partner	€ 1.5 million
● Portfolio at risk (90 days)	5.8%
● Net asset value per share	€ 210.50

Social and environmental performance

at 31 December 2019

Social and environmental performance management is a priority for Oikocredit. We monitor certain social and environmental performance indicators to ensure our partners reach the right target groups and provide services that work towards a positive change in people's lives.

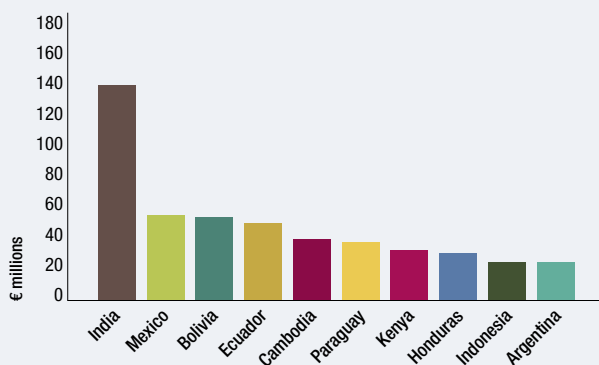
Clients reached by Oikocredit's financial inclusion partners	38.2 million
● % female clients	86%
● % rural clients	63%

Farmers reached by Oikocredit's agriculture partners	557,000
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Renewable energy	
● Households with access to clean energy	52,000
● CO ₂ emissions avoided (in tonnes)	149,000

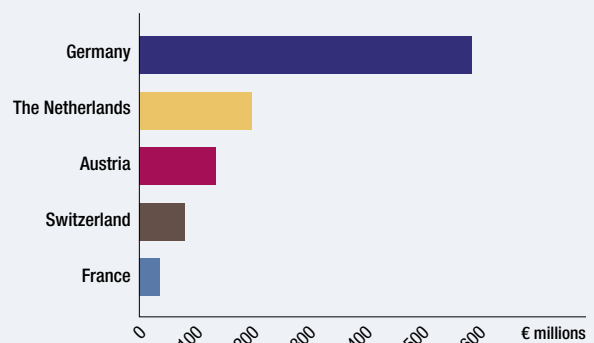
Ten countries with highest capital outstanding

at 31 December 2020



Five countries with highest member capital

at 31 December 2020



Five-year Oikocredit key figures

The following is an unaudited extract of Oikocredit's full audited financial statements. The full accounts are available at www.oikocredit.coop/annual-report

Key figures from the annual report in € millions

	2020	2019	2018	2017	2016
Development financing activities					
New disbursements	243.5	404.5	444.5	380.2	438.7
Increase % disbursements	-39.8%	-9.0%	16.9%	-13.3%	4.7%
Cumulative disbursements	4,443.1	4,199.6	3,795.1	3,350.6	2,970.4
Total cumulative payments	4,168.7	3,728.7	3,289.4	2,839.9	2,422.1
Loan loss provisions on capital and interest and impairment of equity	109.9	97.3	80.3	74.0	81.7
Loan loss provisions on capital and interest and impairment of equity as % of development financing outstanding	13.0%	9.1%	7.7%	7.5%	7.8%
Write-offs capital charged to loss provisions	12.9	5.7	5.3	4.6	11.4
As % of development financing outstanding	1.9%	0.6%	0.6%	0.5%	1.2%
Impairments and additions to loss provisions	33.0	23.1	15.0	7.1	26.9
As % of development financing outstanding	3.9%	2.2%	1.4%	0.9%	2.6%
General and administrative expenses	28.4	30.7	36.0	36.6	33.5
As % of total assets	2.3%	2.3%	2.8%	3.0%	2.8%
Total financial income	78.6	98.1	87.2	90.1	101.9
Society net income (available for distribution)	-22.2	14.3	1.3	18.4	29.0
Paid dividend	TBD	0	10.6	9.6	17.1

Balance sheet and income statement in € millions

	2020	2019	2018	2017	2016
Balance sheet					
Intangible fixed assets	0.8	0.3	0.5	1.1	1.0
Tangible fixed assets	3.4	4.2	4.9	2.2	1.3
Development financing outstanding	845.1	1,064.6	1,046.6	981.7	1,047.2
Loss provisions and impairments	-106.5	-93.2	-76.0	-69.3	-77.5
Other securities	35.2	35.3	4.8	-	-
Other financial assets	5.0	5.2	4.9	3.2	1.0
Total non-current assets	783.0	1,016.4	985.7	1,068.8	1,085.9
Term investments	182.8	139.8	149.0	149.9	112.8
Receivables and other current assets	39.5	44.3	53.7	31.9	27.1
Cash and banks	236.5	109.9	109.3	119.3	95.4
Total current assets	458.8	294.0	312.0	301.1	235.3
Total	1,241.7	1,310.4	1,292.9	1,220.0	1,209.3
Group equity and funds	1,165.4	1,217.5	1,181.5	1,125.2	1,069.1
Provisions	0.3	1.1	1.8	1.6	-
Non-current liabilities	13.6	62.5	56.8	56.9	39.9
Current liabilities	62.4	29.3	52.8	36.3	100.3
Total	1,241.7	1,310.4	1,292.9	1,220.0	1,209.3
Income statement					
Interest and similar income	80.1	97.0	82.0	82.4	79.6
Interest and similar expenses	-2.5	-1.7	-2.5	-2.1	-1.5
Income from equity investments	-0.9	4.4	1.7	6.9	21.2
Other income and expenses	-36.2	-35.7	-29.6	-60.2	4.8
Grant income	0.5	1.1	1.1	0.9	0.8
General and administrative expenses	-29.1	-31.5	-37.1	-37.6	-34.0
Additions to loss provisions and impairments	-33.0	-23.1	-15.0	-7.1	-26.9
Income before taxation	-21.1	10.5	0.6	-16.7	44.0
Taxes and third-party interests	-1.8	-3.4	-2.0	-3.4	-2.1
Additions to and releases from funds	0.7	7.2	2.7	38.6	-12.8
Net income	-22.2	14.3	1.3	18.4	29.0

www.oikocredit.org

This document was produced by Oikocredit, Ecumenical Development Cooperative Society U.A, with the greatest of care and to the best of its knowledge and belief at the time of writing. It has not been reviewed and/or audited by an accountant. Before investing in Oikocredit, you are advised to read Oikocredit's prospectus to fully understand the potential risks and rewards associated with the decision to invest. Download the prospectus here: <https://www.oikocredit.coop/prospectus>.